

CHAPTER 8. FOREIGN CASH TRANSACTIONS

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CHAPTER 8. FOREIGN CASH TRANSACTIONS

8.1 OVERVIEW.

- 8.1.1 This chapter provides the National Aeronautics and Space Administration's (NASA) policy on the processing of payments and collections for foreign transactions. Included are bilateral program transactions with foreign countries and international organizations involving procurement, research, co-development, co-production, or other transactions that require: (1) the outlay of U.S. dollars or U.S. owned foreign currencies or (2) the exchange of U.S. dollars and U.S. owned foreign currencies. The Office of the Chief Financial Officer (OCFO) should be contacted at the earliest possible time concerning any potential or pending negotiations, which will involve matters referred to in this section.

8.2 POLICY.

- 8.2.1 Disbursements-State Department. NASA works with the State Department to process certain international payments including overseas payroll and vendor payments. The NASA Shared Services Center (NSSC) will make arrangements through the Intragovernmental Payment and Collection (IPAC) system to send funds to the State Department who will make the actual payment using the International Direct Deposit (IDD) or the Society for Worldwide Interbank Financial Telecommunications (SWIFT).
- 8.2.2 Disbursements-Department of the Treasury (Treasury). The Kansas City Financial Center (KFC) is the primary processor for all foreign payment transactions for the Treasury Financial Management Service (FMS) on behalf of Federal Program Agencies. KFC processes payments for NASA offices via the paper Standard Form (SF)-1166 (Voucher and Schedule of Payments). KFC will be the servicing Regional Finance Center (RFC) for all NASA foreign transactions (payments or collections) processed through Treasury.
- A. If KFC can not issue a payment using the International Treasury Services (ITS.gov), FMS will utilize the State Department to make the payment.
 - B. Issuance of checks in U.S. dollars to foreign recipients is not supported by ITS.gov. Those transactions will continue to be processed through the Secure Payment System (SPS). Therefore, SPS will continue to be used by NASA for domestic payments (check and EFT) as well as U.S. dollar checks to foreign recipients, while all foreign transactions (with the one noted exception) will be processed through the Kansas City Financial Center and ITS.gov.
 - C. KFC can grant NASA direct access to the web-based foreign payment system, ITS.gov. If NASA wishes to pursue this option, it must be cleared and coordinated with the OCFO.

8.2.3 Foreign Exchange Received by NASA. NASA generally does not receive foreign exchange (amounts paid in foreign currency). Where NASA receives a payment by check that had been drafted in a foreign currency, NASA shall forward the check to the KFC via an overnight mail service. KFC will process the payment, apply the available spot rate for currency conversion, and credit the funds to NASA.

8.2.4 Negotiating Financial Arrangements.

- A. Except for arrangements entered into for the sole purpose of implementing U.S. international monetary policy, Center CFOs and NSSC officials will observe the following policies to ensure that:
 - 1. U.S. dollars will be retained in the account of the U.S. Treasury until actually required for immediate disbursement to minimize interest cost on the public debt.
 - 2. Interest on U.S. Government funds will not be used to subsidize program activities.
- B. Center CFOs and NSSC officials will not permit the withdrawal of funds from the account of the U.S. Treasury for transfer to any recipient country or organization, prior to the need for the funds as determined by the actual immediate funding requirements of the recipient to carry out the project. Monthly payments are the norm.
- C. NASA's share of funding required to support a program will not be derived from interest earned on U.S. contributions. Any interest earned will be promptly deposited to receipt account "801435, General Fund Proprietary Interest, Not Otherwise Classified."
- D. Requests from a foreign country or international organization for the temporary deposit and safekeeping of dollars in trust in an account of the U.S. Treasury will be decided by Treasury on an individual basis, based on the specific financial arrangements proposed and the relevant political and financial considerations.

8.3 AUTHORITIES AND REFERENCES.

- 8.3.1 Treasury Financial Manual, Volume I, Federal Agencies, 2-3200, "Foreign Currency Accounting and Reporting"
- 8.3.2 Treasury Financial Manual, Volume I, 4-2000, "Payment Issue Disbursing Procedures"
- 8.3.3 Treasury Financial Manual, Volume I, 4-9000, "Foreign Exchange"
- 8.3.4 Treasury Financial Manual, Volume I, 5-6000, "Disposition of Foreign Currency and Checks Drawn of Foreign Banks"
- 8.3.5 Treasury Financial Manual, Volume I, 6-8000, "Cash Management"

8.4 ROLES AND RESPONSIBILITIES.**8.4.1 NSSC shall:**

- A. Coordinate with the State Department and/or Treasury, FMS, and KFC to assure provisions are made for NASA to supply the necessary financial information needed for international payments or collections.
- B. Follow the payment and collections procedures of KFC.
- C. Adhere to the following factors to assist the State Department when requesting payments:
 - 1. Segregate payments by payment type as wire payments are not combined with check payments.
 - 2. Make cash transfers to the State Department in United States currency and coordinate as needed by the State Department on matters related to currency translation.
 - 3. Ensure IPAC payments to the State Department are in accordance with NASA and Treasury's procedures for IPAC

8.4.2 NSSC and Centers personnel shall comply with the policy provided in this chapter and with the authorities and references in Section 8.3.